

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	Chapter 11
)	
FRANCHISE GROUP, INC., <i>et al.</i> ¹)	Case No. 24-12480 (LSS)
)	
Reorganized Debtors.)	(Jointly Administered)
)	
)	Re: Docket No. 1728
)	

**FEE EXAMINER'S FINAL REPORT REGARDING
FIRST AND FINAL FEE APPLICATION
REQUEST OF HILCO DILIGENCE SERVICES, LLC**

Direct Fee Review LLC (“DFR”), appointed and employed as the Fee Examiner in the above-captioned bankruptcy proceedings and acting in its capacity regarding the First and Final Fee Application Request of Hilco Diligence Services, LLC (the “Firm”) for compensation for services rendered and reimbursement of expenses as Field Examiner to the Debtors for the compensation period from February 10, 2025 through June 2, 2025 (“Fee Application”) seeking

¹ The Reorganized Debtors in these chapter 11 cases, along with the last four digits of their U.S. federal tax identification numbers, to the extent applicable, are Franchise Group, Inc. (1876), Freedom VCM Holdings, LLC (1225), Freedom VCM Interco Holdings, Inc. (2436), Freedom Receivables II, LLC (4066), Freedom VCM Receivables, Inc. (0028), Freedom VCM Interco, Inc. (3661), Freedom VCM, Inc. (3091), Franchise Group New Holdco, LLC (0444), American Freight FFO, LLC (5743), Franchise Group Acquisition TM, LLC (3068), Franchise Group Intermediate Holco, LLC (1587), Franchise Group Intermediate L, LLC (9486), Franchise Group Newco Intermediate AF, LLC (8288), American Freight Group, LLC (2066), American Freight Holdings, LLC (8271), American Freight, LLC (5940), American Freight Management Company, LLC (1215), Franchise Group Intermediate S, LLC (5408), Franchise Group Newco S, LLC (1814), American Freight Franchising, LLC (1353), Home & Appliance Outlet, LLC (n/a), American Freight Outlet Stores, LLC (9573), American Freight Franchisor, LLC (2123), Franchise Group Intermediate B, LLC (7836), Buddy’s Newco, LLC (5404), Buddy’s Franchising and Licensing LLC (9968), Franchise Group Intermediate V, LLC (5958), Franchise Group Newco V, LLC (9746), Franchise Group Intermediate BHF, LLC (8260), Franchise Group Newco BHF, LLC (4123), Valor Acquisition, LLC (3490), Vitamin Shoppe Industries LLC (3785), Vitamin Shoppe Global, LLC (1168), Vitamin Shoppe Mariner, LLC (6298), Vitamin Shoppe Procurement Services, LLC (8021), Vitamin Shoppe Franchising, LLC (8271), Vitamin Shoppe Florida, LLC (6590), Betancourt Sports Nutrition, LLC (0470), Franchise Group Intermediate PSP, LLC (5965), Franchise Group Newco PSP, LLC (2323), PSP Midco, LLC (6507), Pet Supplies “Plus”, LLC (5852), PSP Group, LLC (5944), PSP Service Newco, LLC (6414), WNW Franchising, LLC (9398), WNW Stores, LLC (n/a), PSP Stores, LLC (9049), PSP Franchising, LLC (4978), PSP Subco, LLC (6489), PSP Distribution, LLC (5242), Franchise Group Intermediate SL, LLC (2695), Franchise Group Newco SL, LLC (7697), and Educate, Inc. (5722). The Reorganized Debtors’ headquarters is located at 2371 Liberty Way, Virginia Beach, Virginia 23456.

approval of fees in the amount of \$125,000.00 and the reimbursement of expenses in the amount of \$1,450.00, submits its final report.

BACKGROUND

1. In performance of audit procedures and in preparation of this report designed to quantify and present factual data relevant to the requested fees contained herein, DFR reviewed the fee statement and the Application, including each of the billing and expense entries listed in the exhibits to the statements, for compliance with the terms of the Firm's retention.
2. DFR did not prepare informal memos related to monthly fee applications of the Firm. We have included all questions and any recommended resolutions in this final report.

DISCUSSION

3. For the compensation period of February 10, 2025 through June 2, 2025 the Firm submitted a monthly fee application in the amount of \$125,000.00 as actual, reasonable and necessary fees and for expense reimbursement of \$1,450.00.
4. Our review and procedures applied to the fee statement and the application, including each of the billing entries listed in the exhibits to the statement did not disclose any other material issues or questions.

CONCLUSION

5. Regarding the application and the fees and expenses discussed in the previous sections, DFR submits its final report for the First and Final Fee Application Requests of Hilco Diligence Services, LLC for compensation for services rendered and reimbursement of expenses as Field Examiner to the Debtors for the compensation period from February

10, 2025 through June 2, 2025 and we recommend the approval of the fees of \$125,000.00 and reimbursement of expenses in the amount of \$1,450.00.

Respectfully submitted,

**DIRECT FEE REVIEW LLC
FEE EXAMINER**

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